

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 254

AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 8-22-3-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.5. (a) This section applies only to an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980).**

(b) As used in this section, "cooperative agreement" means an agreement entered into by the authority and an eligible county under subsection (d).

(c) As used in this section, "eligible county" means a county that is contiguous to the county in which the authority has jurisdiction.

(d) The authority and an eligible county may enter into a cooperative agreement concerning the operations, functions, projects, activities, funding, or capital expenditures of the authority under this chapter or IC 8-22-3.5.

(e) A cooperative agreement must provide for the following:

- (1) The appointment to the board of the authority of one (1) or more additional members, including advisory members, representing the eligible county.**
- (2) The duration of the cooperative agreement.**
- (3) The purpose of the cooperative agreement.**
- (4) The manner of financing, staffing, and supplying a joint**



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undertaking under the cooperative agreement.

(5) Establishing and maintaining a budget for a joint undertaking under the cooperative agreement.

(6) The partial or complete termination of the cooperative agreement.

(7) Any other matters the authority and the eligible county determine are necessary or desirable.

(f) A cooperative agreement may provide for the following:

(1) A trial period, not to exceed three (3) years, during which the eligible county:

(A) may cooperate in an advisory capacity; and

(B) may not be required to participate in financing activities under the cooperative agreement.

(2) The establishment of a separately appointed board to administer the cooperative agreement following the conclusion of the trial period described in subdivision (1).

(g) A proposed cooperative agreement must be approved by the:

(1) executive; and

(2) fiscal body;

of the eligible county before the eligible county may enter into the cooperative agreement.

(h) A cooperative agreement entered into under this section is not subject to IC 36-1-7.

(i) The general assembly finds the following:

(1) The authority and all eligible counties face unique and distinct challenges and opportunities related to transportation and economic development that are different in scope and type from those faced by other units of local government in Indiana due to:

(A) the status of the authority and the eligible counties in relationship to the southwest extension of Interstate Highway 69;

(B) the distance of the authority and the eligible counties from other major centers of commerce, industry, and economic activity in the state; and

(C) the relative inaccessibility of southwest Indiana to markets.

(2) A unique approach is required to fully take advantage of the economic development potential of the authority and an eligible county.

SECTION 2. IC 8-22-3.5-9, AS AMENDED BY P.L.124-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2007]: Sec. 9. (a) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 or 9.5 of this chapter, notwithstanding the date of the final action taken under section 6 of this chapter; plus
- (2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) A resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

- (1) apply to the entire airport development zone; and
- (2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

- (1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) All of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

- (1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the

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commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) The commission may determine that a portion of tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds **or a loan contract** of the airport authority for a qualified airport development project, to the payment of leases for a qualified airport development project, or to the payment of principal and interest on bonds issued by an eligible entity to pay for qualified airport development projects in the airport development zone or serving the airport development zone.

(3) The commission may determine that a part of the tax proceeds shall be allocated to a project fund and used to pay expenses incurred by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

~~(3)~~ (4) Except as provided in subsection (f), all remaining tax proceeds after allocations are made under subdivisions (1), ~~and~~ (2), **and (3)** shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(f) If the tax proceeds allocated to the project fund in subsection (e)(3) exceed the amount necessary to satisfy amounts required under subsection (e), the excess in the project fund over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) When money in the debt service fund and in the project fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects, all lease rentals payable on leases of qualified airport development projects, and all costs and expenditures associated with all qualified airport development projects, money in the debt service fund and in the project fund in excess of those amounts shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection

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(e)(2).

(i) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 3. An emergency is declared for this act.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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